

CIRCULAR DATED 7 APRIL 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Starburst Holdings Limited, you should immediately forward this Circular (as defined herein), together with the enclosed Notice of Extraordinary General Meeting and the attached proxy form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Warrants (as defined herein) and the New Shares (as defined herein) will be admitted to Catalist (as defined herein) and quotation for the Warrants and the New Shares is expected to commence after all conditions imposed by the SGX-ST (as defined herein) are satisfied, including a sufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants, the certificates relating thereto having been issued and the notification letters from CDP (as defined herein) having been despatched. **The Company has made an application to the SGX-ST for the listing of and quotation for the Warrants and the New Shares on Catalist. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Warrants and the New Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares (as defined herein), the Rights issue (as defined herein), the Warrants or the New Shares. Acceptance of applications will be conditional upon the issue of the Warrants and any listing and quotation notice issued by the SGX-ST.**

Shareholders (as defined herein) should note that the Warrants may not be listed and quoted on the SGX-ST in the event that there is an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants on the SGX-ST due to an inadequate spread of holdings to provide for an orderly market in the trading of the Warrants, Warrant holders (as defined herein) will not be able to trade their Warrants on Catalist but the Company shall, nevertheless, proceed with and complete the Rights Issue.

This document shall not constitute an offer to sell or a solicitation of an offer to buy shares or warrants nor shall there be any sale of any shares or warrants in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This document is issued to Shareholders solely for the purpose of convening the EGM (as defined herein) and seeking their approval for the resolution to be considered at such meeting. Shareholders are authorised to use this document solely for the purpose of considering the approval sought. Persons to whom a copy of this document has been issued shall not circulate to any other person, reproduce or otherwise distribute this document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this document and/or the transfer of the provisional allotment of Warrants and the Warrants into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Circular has been prepared by the Company and its contents have been reviewed by the sponsor of the Company, DBS Bank Ltd. for compliance with the relevant Catalist Rules (as defined herein). The Sponsor (as defined herein) has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness and accuracy of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Koh Boon Pin, Senior Vice President, Capital Markets, DBS Bank Ltd., at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, tel.: +65 6878 8888.



STARBURST HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 October 2013)

(Company Registration No.: 201329079E)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 62,500,000 WARRANTS, AT AN ISSUE PRICE OF S\$0.01 FOR EACH WARRANT, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.25 FOR EACH NEW SHARE, ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED.

Issue Manager of the Rights Issue



IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 20 April 2016 at 11.30 a.m.
Date and time of Extraordinary General Meeting	: 22 April 2016 at 11.30 a.m., or immediately after the conclusion of the annual general meeting of the Company and the Other Extraordinary General Meeting (as defined herein) of the Company to be held at 10.00 a.m. and 11.00 a.m. respectively on the same day and at the same place
Place of Extraordinary General Meeting	: Bras Basah Room, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560

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DEFINITIONS

The following definitions apply throughout this Circular except where the context otherwise requires:

- “Announcement”** : The announcement made by the Company on 7 March 2016 relating to, amongst others, the Rights Issue
- “Approved Bank”** : Any bank or merchant bank in Singapore selected by the Directors
- “ATM”** : Automated teller machine
- “Auditors”** : The auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Deed Poll or the terms and conditions of the Warrants, such other auditors as may be nominated by the Company
- “Authority”** : The Monetary Authority of Singapore
- “Books Closure Date”** : The time and date to be determined by the Directors on which the Register of Members and Share Transfer Books will be closed to determine the provisional allotments of Warrants of Entitled Shareholders under the Rights Issue
- “Business Day”** : A day (other than a Saturday, Sunday or public holiday) on which banks in Singapore, the SGX-ST, CDP, the Share Registrar and the Warrant Agent are open for business in Singapore
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 7 April 2016 in relation to the Rights Issue
- “Closing Date”** : The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, for renunciation of and payment for the Warrants and (if applicable) application and payment for excess Warrants under the Rights Issue

DEFINITIONS

“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	:	Starburst Holdings Limited
“Constitution”	:	The constitution of the Company, including the memorandum of association of the Company and the articles of association of the Company, as amended or modified from time to time
“Council”	:	Securities Industry Council of Singapore
“Deed Poll”	:	The deed poll to be executed by the Company for the purpose of constituting the Warrants (as the same may be amended or supplemented from time to time) and containing, amongst others, provisions for the protection of the rights and interests of Warrantholders
“Directors”	:	The directors of the Company, as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 22 April 2016 at 11.30 a.m., or immediately after the conclusion of the annual general meeting of the Company and the Other Extraordinary General Meeting of the Company to be held at 10.00 a.m. and 11.00 a.m. respectively on the same day and at the same place, notice of which is set out on pages 40 to 42 of this Circular
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders collectively

DEFINITIONS

“EPS”	:	Earnings per Share
“Exercise Period”	:	The period during which the Warrants may be exercised, being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the Expiry Date
“Exercise Price”	:	The sum payable in respect of each New Share to which the Warrantholder will be entitled to subscribe for upon the exercise of a Warrant, which shall be S\$0.25, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
“Expiry Date”	:	The date on which the Warrants will expire, being the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event, the Expiry Date shall be the immediately preceding Market Day on which the Register of Members remains open, but excluding such period(s) during which the Register of Warrantholders may be closed, subject to the terms and conditions of the Warrants as set out in the Deed Poll
“Foreign Purchasers”	:	Persons purchasing the provisional allotments of Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries, collectively
“Independent Shareholders”	:	The Shareholders other than the Undertaking Shareholders and the parties acting in concert with them (if any), who are deemed to be independent for the purpose of voting on the Whitewash Resolution
“Irrevocable Undertakings”	:	The irrevocable undertakings dated 7 March 2016 given by the Undertaking Shareholders to the Company as disclosed in Section 3 of this Circular

DEFINITIONS

“Issue Price”	:	The issue price of each Warrant, being S\$0.01
“Latest Practicable Date”	:	15 March 2016, being the latest practicable date prior to the printing of this Circular
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	The issuance of 62,500,000 Warrants based on the existing share capital of the Company and assuming that all Shareholders subscribe for their pro-rata Warrants entitlements under the Rights Issue
“Minimum Subscription Scenario”	:	The issuance of 50,039,750 Warrants based on the existing share capital of the Company and assuming that only the Undertaking Shareholders subscribe for their pro-rata Warrants entitlements in accordance with the Irrevocable Undertakings and none of the Shareholders (except for the Undertaking Shareholders) subscribe for their pro-rata Warrants entitlements under the Rights Issue and/or apply for any excess Warrants
“NAV”	:	Net asset value
“New Shares”	:	Up to 62,500,000 new Shares to be allotted and issued by the Company, credited as fully paid, upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
“Notice of EGM”	:	The notice of EGM set out on pages 40 to 42 of this Circular
“Offer Information Statement”	:	The offer information statement referred to in Section 277 of the SFA together with (where the context requires) the PAL, WEWAF, WAF and all other accompanying documents, including any supplementary or replacement document issued by the Company and lodged with the SGX-ST, acting as agent on behalf of the Authority, in connection with the Rights Issue
“Other Extraordinary General Meeting”	:	The other extraordinary general meeting of the Company to be held at 11.00 a.m. on the same day and at the same place as the EGM in relation to the proposed share purchase mandate

DEFINITIONS

- “PAL”** : The provisional allotment letter to be issued to an Entitled Scripholder setting out the provisional allotments of Warrants of such Entitled Scripholder under the Rights Issue
- “Participating Banks”** : The banks that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors and persons purchasing provisional allotments of Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Warrants and applications for excess Warrants, as the case may be, to be made under the Rights Issue
- “Record Date”** : In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the Securities Accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or other distributions
- “Register of Members”** : Register of members of the Company
- “Register of Warrantholders”** : Register of warrantholders of the Company
- “Rights Issue”** : The proposed renounceable non-underwritten rights issue of up to 62,500,000 Warrants, at the Issue Price for each Warrant, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price for each New Share, on the basis of one (1) Warrant for every four (4) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
- “Rights Issue Resolution”** : The resolution proposed to approve the issue of Warrants pursuant to the Rights Issue, as set out in the Notice of EGM
- “Ruling”** : Has the meaning ascribed to it in Section 1.2 of this Circular
- “Securities Account”** : A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
- “SFA”** : Securities and Futures Act, Chapter 289 of Singapore, as may be amended or modified from time to time
- “SGXNET”** : The SGXNET Corporate Announcement System

DEFINITIONS

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar” or “Warrant Agent”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Share Transfer Books”	:	The share transfer books of the Company
“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore”	:	The Republic of Singapore
“Sponsor”	:	DBS Bank Ltd., the Catalist sponsor of the Company
“Substantial Shareholder”	:	Has the meaning ascribed to it in Section 81 of the Companies Act
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Undertaking Shareholders”	:	Mr. Edward Lim Chin Wah and Mr. Yap Tin Foo
“WAF”	:	Application and acceptance form for Warrants to be issued to purchasers of the provisional allotments of Warrants traded on Catalist through the book-entry (scripless) settlement system
“Warrantholders”	:	Registered holders of Warrants, except that where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Warrants and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Warrants
“Warrants”	:	Up to 62,500,000 warrants in registered form to be allotted and issued by the Company pursuant to the Rights Issue and (where the context admits) such additional warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the Warrants as set out in the Deed Poll (any such additional Warrants to rank equally and without preference with the Warrants to be issued and for all purposes to form part of the same series of Warrants constituted by the Deed Poll), each Warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions of the Warrants as set out in the Deed Poll

DEFINITIONS

- “WEWAF”** : Application and acceptance form for Warrants and excess Warrants to be issued to an Entitled Depositor in respect of the provisional allotments of Warrants of such Entitled Depositor under the Rights Issue
- “Whitewash Resolution”** : The resolution to be approved by way of poll by a majority of the Independent Shareholders present and voting at the EGM, to waive their rights to receive a mandatory general offer for the Company from each of the Undertaking Shareholders and the parties acting in concert with each of them (if any) pursuant to Rule 14 of the Take-over Code arising from the exercise of Warrants subscribed for by the Undertaking Shareholders pursuant to their Irrevocable Undertakings
- “Whitewash Waiver”** : A waiver by the Council of the obligations of the Undertaking Shareholders and the parties acting in concert with each of them (if any) to make mandatory general offers for the Company under Rule 14 of the Take-over Code as a result of the subscription of all of their respective entitlements of Warrants under the Rights Issue and the acquisition of New Shares upon the exercise of such Warrants
- “%”** : Per centum or percentage
- “S\$” and “cents”** : Singapore dollars and cents, respectively

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

The term **“acting in concert”** shall have the meaning ascribed to it in the Take-over Code.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or the Take-over Code or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or the Take-over Code or such modification thereof, as the case may be, unless otherwise provided.

DEFINITIONS

Any reference to a date or time of day in this Circular shall be a reference to Singapore date and time unless otherwise stated.

Any discrepancies in the figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

STARBURST HOLDINGS LIMITED

(Company Registration Number: 201329079E)

(Incorporated in the Republic of Singapore on 28 October 2013)

Board of Directors:

Mr. Edward Lim Chin Wah, *Chairman and Executive Director*

Mr. Yap Tin Foo, *Managing Director and Executive Director*

Mr. Gan Lai Chiang, *Lead Independent Director and
Chairman of Audit Committee*

Mr. Gopal Perumal, *Independent Director*

Mr. Tan Teng Wee, *Independent Director*

Registered Office:

6 Tuas West Street,
Singapore 637442

7 April 2016

To: The Shareholders of Starburst Holdings Limited

Dear Sir/Madam,

THE RIGHTS ISSUE

1. INTRODUCTION

1.1 Overview

The Directors are convening the EGM to be held on 22 April 2016 at 11.30 a.m., or immediately after the conclusion of the annual general meeting of the Company and the Other Extraordinary General Meeting of the Company to be held at 10.00 a.m. and 11.00 a.m. respectively on the same day and at the same place, to seek Shareholders' approval for the proposed Rights Issue.

1.2 The Rights Issue Resolution

On 7 March 2016, the Company announced the Rights Issue, subject to, amongst others, (a) the grant of the Whitewash Waiver application by the Council and such waiver not having been withdrawn or revoked as at the date of completion of the Rights Issue; (b) the receipt of the in-principle approval of the SGX-ST for the listing of and quotation for the Warrants and the New Shares (to be allotted and issued by the Company upon the exercise of the Warrants) on Catalist; (c) the approval of Shareholders of the Rights Issue at the EGM; (d) the approval of a majority of the Independent Shareholders of the Whitewash Resolution; and (e) the lodgement of the Offer Information Statement with the SGX-ST (acting as agent of the Authority).

On 1 April 2016, the Company further announced that based on the submissions it made to the Council in connection with the Whitewash Waiver application and the subsequent correspondences with, and submissions to, the Council, the Council has, on 1 April 2016 confirmed that the Undertaking Shareholders are persons acting in concert with each other in respect to the Company, and will not be required to make a general offer for the Company under Rule 14.1 of the Take-over Code, in the event that one or both of them acquire more than 1% of the voting rights of the Company in any six (6)-month period as a result of the exercise of their Warrants subscribed for under the Rights Issue (the "Ruling").

LETTER TO SHAREHOLDERS

The Company has made an application to the SGX-ST for the listing of and quotation for up to 62,500,000 Warrants and up to 62,500,000 New Shares to be issued, upon the exercise of the Warrants, on Catalist. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Warrants and the New Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue, the Warrants or the New Shares. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness and accuracy of any of the statements or opinions made or reports contained in this Circular.

1.3 The EGM

The purpose of this Circular is to provide Shareholders with information relating to the Rights Issue and to seek Shareholders' approval in respect of the same at the EGM, the notice of which is set out on pages 40 to 42 of this Circular.

As mentioned in Section 1.2 of this Circular, as a result of the Ruling, a Whitewash Resolution is not required.

2. THE RIGHTS ISSUE

2.1 Basis of the Rights Issue

Based on the issued share capital of the Company of 250,000,000 Shares as at the Latest Practicable Date, up to 62,500,000 Warrants are proposed to be offered on a renounceable non-underwritten basis to Entitled Shareholders at the Issue Price of S\$0.01 for each Warrant, on the basis of one (1) Warrant for every four (4) Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Based on the Issue Price and the Exercise Price, the aggregate cost of subscribing for each New Share upon the exercise of a Warrant is S\$0.26, which represents a discount of approximately 3.7% to the closing price of S\$0.27 per Share on 7 March 2016 (being the latest full Market Day on which there were trades in the Shares immediately preceding the date of the Announcement) and a discount of approximately 11.9% to the closing price of S\$0.295 per Share on the Latest Practicable Date.

The Warrants are payable in full upon acceptance and/or application. The New Shares when allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank equally and without preference in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade their provisional allotments of Warrants during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for excess Warrants under the Rights Issue. Provisional allotments of Warrants which would otherwise have been made to Foreign Shareholders will be dealt with in the manner described in Section 2.4.2 entitled "Foreign Shareholders" of this Circular. In the allotment of excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders (including the Undertaking Shareholders) will rank last in priority.

LETTER TO SHAREHOLDERS

In view of the Irrevocable Undertakings, details of which are set out in Section 3 of this Circular, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. Pursuant to Rule 820(1) of the Catalist Rules, the Rights Issue will not be withdrawn after the Warrants have commenced ex-rights trading.

2.2 Principal Terms of the Rights Issue

- Number of Warrants** : Based on the issued share capital of the Company of 250,000,000 Shares as at the Latest Practicable Date, up to 62,500,000 Warrants will be issued.
- Basis of provisional allotment** : One (1) Warrant for every four (4) existing Shares standing to the credit of the Securities Accounts of Entitled Depositors or held by Entitled Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.
- Issue price** : The issue price of each Warrant, being S\$0.01.
- Listing of the Warrants and New Shares** : The Company has made an application to the SGX-ST for the listing of and quotation for up to 62,500,000 Warrants and up to 62,500,000 New Shares to be issued, upon the exercise of the Warrants, on Catalist. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST.

Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Warrants and the New Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue, the Warrants or the New Shares.

Shareholders should note that the Warrants may not be listed and quoted on the SGX-ST in the event that there is an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants on the SGX-ST due to an inadequate spread of holdings to provide for an orderly market in the trading of the Warrants, Warrant holders will not be able to trade their Warrants on Catalist but the Company shall, nevertheless, proceed with and complete the Rights Issue.

LETTER TO SHAREHOLDERS

- Trading of the Warrants and New Shares** : Subject to, amongst others, there being a sufficient spread of holdings of the Warrants, upon the listing of and quotation for the Warrants and New Shares on Catalist, the Warrants and New Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on Catalist, each board lot of Warrants or New Shares (as the case may be) will comprise 100 Warrants or New Shares (as the case may be). Odd lots of less than 100 Warrants or New Shares (as the case may be) may be traded on the unit share market of the SGX-ST.
- Form and subscription rights** : The Warrants will be constituted by the Deed Poll and issued in registered form. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant will entitle the Warrantholder to subscribe for one (1) New Share at the Exercise Price at any time during the Exercise Period. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- Exercise Price** : The sum payable in respect of each New Share to which the Warrantholder will be entitled to subscribe for upon the exercise of a Warrant shall be S\$0.25, subject to certain adjustments in accordance with the terms and conditions of the Warrants set out in the Deed Poll.
- Exercise Period** : The period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the Expiry Date, being the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event, the Expiry Date shall be the immediately preceding Market Day on which the Register of Members remains open, but excluding such period(s) during which the Register of Warrantholders may be closed, subject to the terms and conditions of the Warrants as set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- Notice of expiry of the Warrants shall be given to all Warrantholders at least one (1) month before the Expiry Date. The appropriate announcement of the Expiry Date shall also be made on SGXNET.
- Payment of Exercise Price** : Warrantholders who exercise their Warrants must pay the Exercise Price by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore in favour of the Company.

LETTER TO SHAREHOLDERS

Excess Warrants : Entitled Shareholders will be at liberty to accept, decline or transfer their provisional allotments of Warrants and are eligible to apply for excess Warrants. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for excess Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Excess Warrants will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders (including the Undertaking Shareholders) will rank last in priority.

Adjustments : The Exercise Price and the number of Warrants held by each Warrantheader shall from time to time be adjusted in accordance with the terms and conditions of the Warrants as set out in the Deed Poll in all or any of the following cases:

- (i) any consolidation or subdivision of Shares (including a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves); or
- (ii) an issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to its Shareholders who had an option to take cash or other dividend in lieu of the relevant Shares); or
- (iii) a Capital Distribution (as defined below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (iv) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (v) an issue (otherwise than pursuant to a rights issue available to all Shareholders, requiring an adjustment under (iv) above and other than an issue of Shares to Shareholders who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than 90% of the Current Market Price (as defined below) for each Share.

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For the purposes of this term, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares). Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution; “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and/or the Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof; and the “**Current Market Price**” in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest S\$0.01 per Share) of Shares quoted on Catalist for the five (5) consecutive Market Days (on each of which trading of the Shares on Catalist has been transacted) immediately preceding that Market Day.

Any additional Warrants issued pursuant to such adjustments shall rank equally and without preference with the Warrants and will for all intents and purposes form part of the same series.

Any adjustments made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll shall (unless otherwise provided under the Catalist Rules) be announced by the Company on SGXNET.

- Number of New Shares** : Based on the issued share capital of the Company of 250,000,000 Shares as at the Latest Practicable Date, up to 62,500,000 New Shares will be issued.
- Status of New Shares** : The New Shares will, upon allotment and issuance, rank equally and without preference in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

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- Modifications of terms of Warrants** : The Company may, without the consent of the Warrantheolders but in accordance with the terms and conditions of the Warrants as set out in the Deed Poll and subject to the approval of the SGX-ST, effect any modification to the terms and conditions of the Warrants which, in the opinion of the Company:
- (i) is not materially prejudicial to the interests of the Warrantheolders; or
 - (ii) is of a formal, technical or minor nature; or
 - (iii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
 - (iv) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Shares arising from the exercise thereof or meetings of the Warrantheolders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on Catalist.

Any such modification shall be binding on the Warrantheolders and shall be notified to them in accordance with the terms and conditions of the Warrants as set out in the Deed Poll as soon as practicable thereafter.

Notwithstanding any other provisions as set out in the Deed Poll, any material alteration to the terms and conditions of the Warrants after the Rights Issue to the advantage of the Warrantheolders and prejudicial to the Shareholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

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Transfer and transmission

: The Warrants shall be transferable in lots of 100 Warrants or more. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants as set out in the Deed Poll including, amongst others, the following:

- (i) lodgement during normal business hours on any Market Day at the specified office of the Warrant Agent of the relevant Warrant Certificate(s) registered in the name of the Warranholder together with an instrument of transfer in respect thereof (the “**Transfer Form**”), in the form approved by the Company, duly completed and signed by or on behalf of the Warranholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company and the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to it;
- (ii) the executors or administrators (or trustees) of the estate of a deceased registered Warranholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Warrants registered in the name of the deceased Warranholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the relevant fees and expenses be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warranholder could have made;
- (iii) where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry; and
- (iv) a transferor or Depositor, as the case may be, shall be deemed to remain a Warranholder until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent or the Depository Register by CDP, as the case may be.

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- Winding-up** : If a resolution is passed for a members' voluntary winding-up of the Company, then:
- (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Special Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Warrants; and
 - (ii) if notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warranholder shall be entitled, no later than two (2) Business Days prior to the proposed general meeting, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with all relevant payments payable, to elect to be treated as if he had exercised the Warrants to the extent of the number of Warrants exercised and had on such date been the holder of the New Shares. The New Shares will be allotted to such Warranholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

- Further issues** : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

- Underwriting** : The Rights Issue is non-underwritten.

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Warrant Agent	:	Boardroom Corporate & Advisory Services Pte. Ltd..
Governing law	:	Laws of the Republic of Singapore.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may, in consultation with the Sponsor, deem fit. The final terms and conditions of the Rights Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course, subject to, amongst others, the Rights Issue Resolution being approved by Shareholders at the EGM.

2.3 Conditions for the Rights Issue

Shareholders should note that the Rights Issue is subject to, amongst others, the following conditions:

- (a) the receipt of the in-principle approval of the SGX-ST (acting as agent on behalf of the Authority) for the dealing in, listing of and quotation for the Warrants and the New Shares;
- (b) the Rights Issue being approved by the Shareholders at the EGM; and
- (c) the lodgement of the Offer Information Statement in respect of the Rights Issue with the SGX-ST (acting as agent on behalf of the Authority).

The Company has made an application to the SGX-ST for the listing of and quotation for up to 62,500,000 Warrants and up to 62,500,000 New Shares to be issued, upon the exercise of the Warrants, on Catalist.

Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Warrants and the New Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue, the Warrants or the New Shares. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness and accuracy of any of the statements or opinions made or reports contained in this Circular.

2.4 Eligibility of Shareholders to Participate in the Rights Issue

2.4.1 Entitled Shareholders

Entitled Shareholders will be eligible to participate in the Rights Issue and to receive the Offer Information Statement together with the PAL and WAF or WEWAF, as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the WAF or WEWAF may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

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Entitled Shareholders will be provisionally allotted the Warrants under the Rights Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or, in the case of Entitled Depositors only, trade on Catalist during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of Warrants, and are eligible to apply for additional Warrants in excess of their provisional allotments.

All dealings in, and transactions of, the provisional allotments of Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondence and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, at least three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondence and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach the Company c/o the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than three (3) Market Days before the Books Closure Date. Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit such share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such other date as CDP may determine.

All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for excess Warrants, or dealt with in such manner as the Directors in their absolute discretion deem fit. In the allotment of excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders (including the Undertaking Shareholders) will rank last in priority.

2.4.2 Foreign Shareholders

The Offer Information Statement and its accompanying documents will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical

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reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Warrants will be made to Foreign Shareholders, and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers, being persons purchasing the provisional allotments of Warrants through the book-entry (scripless) settlement system with registered addresses with CDP outside Singapore. Foreign Purchasers who wish to accept the provisional allotments of Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of Warrants renounced to him.

The Company reserves the right to treat as invalid any WAF, WEWAF or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the warrant certificate(s) for the Warrants or which requires the Company to despatch the warrant certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the Warrants and/or applications for excess Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue should provide such an address in Singapore not later than three (3) Market Days before the Books Closure Date by notifying the Company c/o the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Depositors whose registered addresses with CDP are not in Singapore and who wish to be eligible to participate in the Rights Issue should provide an address in Singapore for the service of notices and documents not later than three (3) Market Days before the Books Closure Date by notifying CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Warrants which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on Catalist as soon as practicable after dealings in the provisional allotments of Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their

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respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, CDP or the Share Registrar in connection therewith. Where such provisional allotments of Warrants are sold “nil-paid” on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, CDP or the Share Registrar in respect of such sales or the proceeds thereof, the provisional allotments of Warrants or the Warrants represented by such provisional allotments.

If such provisional allotments of Warrants cannot be sold or are not sold on Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Warrants, the Warrants represented by such provisional allotments will be allotted and issued to satisfy applications for excess Warrants or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, CDP or the Share Registrar in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. **No person in any jurisdiction outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Warrants unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in those jurisdictions.**

3. IRREVOCABLE UNDERTAKINGS

As at the date of the Irrevocable Undertakings, the shareholding of Mr. Edward Lim Chin Wah represents approximately 40.03% of the existing issued share capital of the Company and the shareholding of Mr. Yap Tin Foo represents approximately 40.03% of the existing issued share capital of the Company.

To demonstrate their support for the Rights Issue and their commitment to and confidence in the Company, the Undertaking Shareholders have given the Irrevocable Undertakings, pursuant to which Mr. Edward Lim Chin Wah has irrevocably undertaken to the Company that, amongst others:

- (a) he will not, during the period commencing from the date of his Irrevocable Undertaking up to and including the date of listing of and quotation for the Warrants on Catalist, directly or indirectly, acquire, transfer, dispose of or otherwise reduce any of the 100,079,000 ordinary Shares owned by him; and

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- (b) he will, not later than the last day for acceptance and payment of the Warrants subscribe and pay in full for his pro-rata entitlement under the Rights Issue in relation to the Warrants,

and Mr. Yap Tin Foo has irrevocably undertaken to the Company that, amongst others:

- (a) he will not, during the period commencing from the date of his Irrevocable Undertaking up to and including the date of listing of and quotation for the Warrants on Catalist, directly or indirectly, acquire, transfer, dispose of or otherwise reduce any of the 100,080,000 ordinary Shares owned by him; and
- (b) he will, not later than the last day for acceptance and payment of the Warrants subscribe and pay in full for his pro-rata entitlement under the Rights Issue in relation to the Warrants.

The Irrevocable Undertakings are subject to and conditional upon:

- (a) the Whitewash Waiver granted by the Council, and such waiver not having been withdrawn or revoked as at the date of completion of the Rights Issue (if applicable);
- (b) the receipt of the in-principle approval of the SGX-ST (acting as agent on behalf of the Authority) for the dealing in, listing of and quotation for the Warrants and the New Shares;
- (c) the Rights Issue being approved by the Shareholders at the EGM;
- (d) the Whitewash Resolution being approved by way of poll by a majority of the Independent Shareholders present and voting at the EGM (if applicable); and
- (e) the lodgement of the Offer Information Statement in respect of the Rights Issue with the SGX-ST (acting as agent on behalf of the Authority).

Under the Irrevocable Undertakings, the Undertaking Shareholders do not have the obligation to exercise any of their Warrants.

The Irrevocable Undertakings shall cease to have any effect upon the earliest of the following: (i) if the Company decides not to proceed with the Rights Issue, upon the release of an announcement by the Company of such decision; and (ii) on 18 July 2016 or such other date as the Company and each of the Undertaking Shareholders may mutually agree in writing.

No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.

In view of the Irrevocable Undertakings, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. The Directors are of the opinion that, after taking into consideration the internal sources of funds available to the Group, the net proceeds from the Rights Issue (based on the Minimum Subscription Scenario), the cash generated from the Group's business operations and the Group's present banking facilities, the working capital available to the Group is sufficient to meet the Group's present requirements.

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4. RATIONALE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors believe that the Rights Issue will provide Shareholders with the opportunity to obtain further equity participation in the Company by subscribing for the New Shares through the exercise of the Warrants. In addition, as and when the Warrants are exercised, the proceeds arising therefrom will (i) expand and strengthen the capital base of the Company, (ii) provide additional resources for business expansion, and (iii) confer additional financial flexibility on the Company and enable it to respond proactively to strategic business opportunities and working capital requirements, as necessary. In addition, the New Shares, when issued, are expected to improve the liquidity in the trading of the Company's Shares.

In the Maximum Subscription Scenario, the net proceeds from the subscription of the Warrants will amount to approximately S\$475,000 (or approximately 76 cents for each dollar of the gross proceeds raised) after deducting professional fees as well as related expenses of approximately S\$150,000.

In the Minimum Subscription Scenario, the net proceeds from the subscription of the Warrants will amount to approximately S\$350,397.50 (or approximately 70 cents for each dollar of the gross proceeds raised) after deducting professional fees as well as related expenses of approximately S\$150,000.

The Company intends to use the net proceeds from the Rights Issue for the Group's general working capital purposes.

Assuming that all the Warrants are exercised, the Company will raise additional proceeds of approximately S\$15,625,000 in the Maximum Subscription Scenario and S\$12,509,937.50 in the Minimum Subscription Scenario. As and when the Warrants are exercised, the Company intends for the proceeds arising therefrom to be applied to the following purposes, such as:

- (a) the repayment of the Group's borrowings;
- (b) the pursuit of strategic business opportunities (including any business expansion and acquisition opportunities as and when they arise); and/or
- (c) the Group's general working capital purposes.

As and when any significant amount of the proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviation therefrom in its annual report.

Pending the deployment of the net proceeds for the uses identified above, the net proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

5. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The financial effects of the Rights Issue as presented herein:

- (a) are for illustrative purposes only and are not a projection of the actual future financial performance or financial position of the Group immediately after the completion of the Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for FY2015; and

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- (c) assume that the Warrants and the New Shares (as the case may be) had been issued in respect of the profit and loss statement for FY2015 and in respect of the balance sheet as at 31 December 2015.

5.1 Share Capital

As at the Latest Practicable Date, there are no other share options or convertible securities under which the Company has an obligation to issue additional Shares.

	Minimum Subscription Scenario		Maximum Subscription Scenario	
	No. of Shares	S\$	No. of Shares	S\$
Issued Share capital as at 31 December 2015	250,000,000	40,569,797	250,000,000	40,569,797
Add: New Shares arising from the exercise of all Warrants	<u>50,039,750</u>	<u>12,860,335</u>	<u>62,500,000</u>	<u>16,100,000</u>
Issued share capital after the Rights Issue and the exercise of all Warrants	<u>300,039,750</u>	<u>53,430,132</u>	<u>312,500,000</u>	<u>56,669,797</u>

5.2 NAV

	As at 31 December 2015	
	Minimum Subscription Scenario	Maximum Subscription Scenario
NAV (S\$)	46,813,425	46,813,425
Add: Adjustments for net proceeds from Rights Issue (before the exercise of any Warrants) (S\$)	<u>350,397.50</u>	<u>475,000</u>
Adjusted NAV after Rights Issue but before the exercise of any Warrants (S\$)	47,163,822.50	47,288,425
Add: Adjustments for net proceeds from the exercise of all Warrants (S\$)	<u>12,509,937.50</u>	<u>15,625,000</u>
Adjusted NAV after Rights Issue and the exercise of all Warrants (S\$)	<u>59,673,760</u>	<u>62,913,425</u>
NAV per Share		
Total number of Shares before Rights Issue	250,000,000	250,000,000
NAV per Share before Rights Issue (cents)	18.73	18.73
Total number of Shares after Rights Issue but before the exercise of any Warrants	250,000,000	250,000,000
Adjusted NAV per Share after Rights Issue but before the exercise of any Warrants (cents)	18.87	18.92
Total number of Shares after Rights Issue and after the exercise of all Warrants	300,039,750	312,500,000
Adjusted NAV per Share after Rights Issue and after the exercise of all Warrants (cents)	19.89	20.13

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5.3 Gearing

	As at 31 December 2015	
	Minimum Subscription Scenario	Maximum Subscription Scenario
Total Borrowings (S\$)	14,978,583	14,978,583
Shareholders' Equity before Rights Issue (S\$)	46,813,425	46,813,425
Add: Net proceeds from Rights Issue (before the exercise of any Warrants) (S\$)	350,397.50	475,000
Adjusted Shareholders' Equity after Rights Issue but before the exercise of any Warrants (S\$)	47,163,822.50	47,288,425
Add: Proceeds from the exercise of all Warrants (S\$)	12,509,937.50	15,625,000
Adjusted Shareholders' Equity after Rights Issue and after the exercise of all Warrants (S\$)	59,673,760	62,913,425
 Gearing (times)		
Before Rights Issue	0.32	0.32
After Rights Issue but before the exercise of any Warrants	0.32	0.32
After Rights Issue and after the exercise of all Warrants	0.25	0.24

Notes:

- (1) "Total Borrowings" refers to the aggregate of the Group's liabilities arising from borrowings from banks and other financial institutions.
- (2) "Shareholders' Equity" refers to the aggregate amount of issued and paid-up share capital and reserves of the Group.
- (3) "Gearing" is defined as the ratio of the Group's Total Borrowings to Shareholders' Equity.

5.4 Earnings

	FY2015	
	Minimum Subscription Scenario	Maximum Subscription Scenario
Net loss attributable to owners of the Company (S\$'000)	(1,660) ⁽¹⁾	(1,660) ⁽¹⁾
Weighted average number of Shares before Rights Issue ('000)	250,000 ⁽¹⁾	250,000 ⁽¹⁾
Weighted average number of Shares after Rights Issue and assuming exercise of all Warrants ('000)	300,000 ⁽¹⁾	312,500 ⁽¹⁾
Basic and diluted LPS before Rights Issue (cents)	(0.66)	(0.66)
Basic and diluted LPS after Rights Issue and assuming exercise of all Warrants (cents)	(0.55)	(0.53)

Note:

- (1) Figures have been rounded to the nearest thousand.

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6. REVIEW OF PAST PERFORMANCE

The profit and loss statements, cash flow statements, balance sheets and working capital position of the Group for the last three (3) financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 are set out in Appendix 2 of this Circular.

7. BOOKS CLOSURE DATE

The Register of Members and the Share Transfer Books will be closed as at a time and date to be determined by the Directors for the purpose of determining the entitlements of Shareholders under the Rights Issue.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the Irrevocable Undertakings as set out in Section 3 of this Circular and as disclosed in Appendix 1 to this Circular, none of the Directors or Substantial Shareholders has any direct or indirect interest in the Rights Issue other than through his shareholding in the Company.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 40 to 42 of this Circular, will be held on 22 April 2016 at 11.30 a.m., or immediately after the conclusion of the annual general meeting of the Company and the Other Extraordinary General Meeting of the Company to be held at 10.00 a.m. and 11.00 a.m. respectively on the same day and at the same place, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

LETTER TO SHAREHOLDERS

11. DIRECTORS' RECOMMENDATION

11.1 Rights Issue

Having fully considered, amongst others, the rationale for the Rights Issue as set out in Section 4 of this Circular, the Directors are of the opinion that the Rights Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution to approve the Rights Issue to be proposed at the EGM.

11.2 Note to Shareholders

Shareholders, in deciding whether to vote in favour of the Rights Issue Resolution, should read carefully the terms and conditions, rationale and financial effects of the Rights Issue. In giving the above recommendation, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Rights Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out under Appendix 1 to this Circular.

Yours faithfully

For and on behalf of the board of Directors of
STARBURST HOLDINGS LIMITED

Edward Lim Chin Wah
Chairman and Executive Director
7 April 2016

APPENDIX 1 — ADDITIONAL INFORMATION

1. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up capital of the Company as recorded in the register of directors' shareholdings maintained by the Company pursuant to Section 164 of the Companies Act and the interests of the Substantial Shareholders in the issued and paid-up capital of the Company as recorded in the register of substantial shareholders maintained pursuant to Section 88 of the Companies Act are as follows:

	Direct Interest		Deemed Interest ⁽¹⁾		Total Interest	
	No. of Shares	% of issued share capital ⁽²⁾	No. of Shares	% of issued share capital ⁽²⁾	No. of Shares	% of issued share capital ⁽²⁾
Directors						
Mr. Edward Lim Chin Wah	100,079,000	40.03	—	—	100,079,000	40.03
Mr. Yap Tin Foo	100,080,000	40.03	—	—	100,080,000	40.03
Mr. Gopal Perumal	20,000	— ⁽³⁾	—	—	20,000	— ⁽³⁾

Notes:

- (1) Deemed interests refer to interests determined pursuant to Section 7 of the Companies Act.
- (2) Based on the issued share capital of the Company of 250,000,000 Shares as at the Latest Practicable Date.
- (3) This represents an amount less than 0.01% of the Company's issued share capital.

2. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any legal or arbitration proceedings pending or threatened against the Company or any of its subsidiaries during the 12 months preceding the date of this Circular which might have or have had a significant effect on the financial position of the Group or of any facts likely to give rise to any such litigation or arbitration claim.

3. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts outside the ordinary course of business for the period of two (2) years prior to the Latest Practicable Date:

- (a) an irrevocable undertaking dated 7 March 2016 between each of the Undertaking Shareholders and the Company for the Undertaking Shareholders to subscribe for the Warrants that each of them are entitled to under the Rights Issue, and for the Company to agree to undertake the Rights Issue.

APPENDIX 1 — ADDITIONAL INFORMATION

4. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched by the Company to Entitled Shareholders subject to, amongst others, the approval of Shareholders of the Rights Issue being obtained at the EGM. Acceptances and applications under the Rights Issue can only be made on the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the WEWAF or through the ATMs of Participating Banks, in the case of Entitled Depositors; and
- (c) the WAF or through the ATMs of Participating Banks, in the case of persons purchasing provisional allotments of Warrants through the book-entry (scripless) settlement system whose registered addresses with the CDP are in Singapore.

5. SPONSOR'S RESPONSIBILITY STATEMENT

To the best of the Sponsor's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Rights Issue and the Group, and the Sponsor is not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Sponsor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

6. CONSENTS

DBS Bank Ltd., who is named as sponsor of the Company, has given and has not, before the date of this Circular, withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 6 Tuas West Street, Singapore 637442 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2014 and FY2015;
- (c) the material contract referred to in Paragraph 3 of Appendix 1 of this Circular; and
- (d) the letter of consent referred to in Paragraph 6 of Appendix 1 of this Circular.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

Shareholders should read the following selected financial information and the relevant commentaries in conjunction with the full text of the annual reports for the respective financial years.

1. FINANCIAL RESULTS

The consolidated profit and loss statements of the Group for FY2013, FY2014 and FY2015 are set out below:

	FY2013	FY2014	FY2015
	Audited	Audited	Audited
	S\$'000	S\$'000	S\$'000
Revenue	21,045	39,356	15,944
Other operating income	1,211	576	338
Project and production costs	(8,412)	(17,168)	(12,064)
Employee benefits expenses	(2,058)	(3,341)	(3,271)
Depreciation expenses	(422)	(593)	(1,155)
Other operating expenses	(1,175)	(2,808)	(2,408)
Finance costs	(82)	(260)	(195)
Profit/(loss) before income tax	10,107	15,762	(2,811)
Income tax benefit/(expense)	(1,378)	(2,603)	1,151
Profit/(loss) for the year	<u>8,729</u>	<u>13,159</u>	<u>(1,660)</u>
Other comprehensive income (net of tax):			
<u>Items that will not be reclassified to profit or loss</u>			
Gain on revaluation of property	6,287	—	—
Deferred tax arising from the revaluation of property	(1,069)	—	—
Other comprehensive income (net of tax)	5,218	— ⁽¹⁾	1
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translation of foreign operation	— ⁽¹⁾	— ⁽¹⁾	1
Total comprehensive income/(loss) for the year	<u>13,947</u>	<u>13,159</u>	<u>(1,659)</u>
Basic and diluted EPS/(LPS) (cents)	4.36	5.88	(0.66)

Note:

⁽¹⁾ This represents an amount less than S\$1,000.

Source: Annual Reports of the Group for FY2014 and FY2015

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

A review of the past performance of the Group from FY2013 to FY2015 is set out below.

FY2014 compared to FY2013

Revenue

Revenue increased by approximately S\$18.4 million or 87.6%, from S\$21.0 million in FY2013 to S\$39.4 million in FY2014. This was primarily due to the commencement of fabrication and installation works for a firearm shooting range project and a tactical training mock-up project both in Southeast Asia, and a firearm shooting range project in the Middle East. These projects were mostly in the design work phase in FY2013 and there were more fabrication works carried out in FY2014 as compared to FY2013.

Project and production costs

Project and production costs increased by approximately S\$8.8 million or 104.8%, from S\$8.4 million in FY2013 to S\$17.2 million in FY2014, primarily due to the increase in material and fabrication costs in connection with major fabrication and installation works carried out in FY2014. The increase was in line with the increase in revenue in FY2014.

Gross profit and gross profit margin

As a result of the foregoing, gross profit increased by approximately S\$9.6 million or 76.2%, from S\$12.6 million in FY2013 to S\$22.2 million in FY2014. The Group's gross profit margin marginally decreased from 60.0% in FY2013 to 56.4% in FY2014.

Other operating income

Other operating income decreased by approximately S\$0.6 million or 50.0%, from S\$1.2 million in FY2013 to S\$0.6 million in FY2014. The decrease was primarily due to other operating income inflated by the writeback of allowance of doubtful trade receivables from a customer in FY2013 in connection with a project in the Middle East.

Employee benefits expenses

Employee benefits expenses increased by approximately S\$1.3 million or 65.0%, from S\$2.0 million in FY2013 to S\$3.3 million in FY2014. The increase in employee benefits expenses was primarily due to additional staff being recruited for the Group's Abu Dhabi representative office, an annual increment exercise for staff, provision of bonuses for staff, and directors' fees and performance bonuses.

Depreciation expenses

Depreciation expenses increased by approximately S\$0.2 million or 50.0%, from S\$0.4 million in FY2013 to S\$0.6 million in FY2014, primarily due to the adoption of the revaluation model under FRS 16 Property, Plant and Equipment for the Group's leasehold land and building in May 2013, which resulted in an increase in the carrying value of the Group's leasehold land and building.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

Other operating expenses

Other operating expenses increased by approximately S\$1.6 million or 133.3%, from S\$1.2 million in FY2013 to S\$2.8 million in FY2014, primarily due to the increase in professional fees and related expenses of approximately S\$1.2 million in relation to the Company's IPO in July 2014 and additional administrative, sales and marketing costs incurred for the Group's Abu Dhabi representative office.

Finance costs

Finance costs increased by approximately S\$178,000 or 217.1%, from S\$82,000 in FY2013 to S\$260,000 in FY2014, primarily due to an increase in the utilisation of term loan, bank overdrafts, letters of credit and trust receipts in FY2014 as compared to FY2013.

Income tax expense

Income tax expense increased by approximately S\$1.2 million or 85.7%, from S\$1.4 million in FY2013 to S\$2.6 million in FY2014. The increase in income tax expense was mainly attributable to the increase in profit before income tax, non-deductible expenses arising from the IPO and less tax allowance claimed under the PIC scheme as compared to FY2013.

Net profit and net profit margin

As a result of the foregoing, net profit for the year increased by S\$4.5 million or 51.7%, from S\$8.7 million in FY2013 to S\$13.2 million in FY2014, and the Group's net profit margin decreased from 41.5% in FY2013 to 33.5% in FY2014.

FY2015 compared to FY2014

Revenue

Revenue decreased by approximately S\$23.4 million or 59.5%, from S\$39.3 million in FY2014 to S\$15.9 million in FY2015. The decrease was primarily due to the completion of a firearm shooting range project and a tactical training mock-up project both in Southeast Asia, and a firearm shooting range project in the Middle East. Less revenue was recognised from these projects as they were mostly in the installation work phase in FY2015 as compared to the higher value added fabrication work phase in FY2014. The Group's firearm shooting ranges contracts from the Middle East secured in FY2015 are currently at the beginning of fabrication work phase and the timing difference of the commencement of new projects also contributed to the decline in revenue contribution in FY2015.

Project and production costs

Project and production costs decreased by approximately S\$5.1 million or 29.7%, from S\$17.2 million in FY2014 to S\$12.1 million in FY2015. The decrease was primarily due to the decrease in material and fabrication costs in FY2015, when projects secured prior to FY2015 were completed in the second quarter of FY2015 and there were relatively less fabrication works as compared to FY2014.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

Gross profit and gross profit margin

As a result of the foregoing, gross profit decreased by approximately S\$18.3 million or 82.4%, from S\$22.2 million in FY2014 to S\$3.9 million in FY2015. Gross profit margin also decreased from 56.4% in FY2014 to 24.2% in FY2015. Gross profit and gross profit margin in FY2015 were also impacted by a delay as well as changes in the specifications, both of which resulted in higher than expected costs incurred for the project.

Other operating income

Other operating income decreased by approximately S\$0.3 million or 50.0%, from S\$0.6 million in FY2014 to S\$0.3 million in FY2015. The decrease was primarily due to the decrease in foreign currency exchange gain from firearm shooting range projects in the Middle East and a decrease in gain on disposal of property, plant and equipment in FY2015.

Employee benefits expenses

Employee benefits expenses decreased by approximately S\$0.1 million or 2.9%, from S\$3.4 million in FY2014 to S\$3.3 million in FY2015. The decrease in employee benefit expenses was primarily due to a decrease in provision of staff bonuses.

Depreciation expenses

Depreciation expenses increased by approximately S\$0.6 million or 100.0%, from S\$0.6 million in FY2014 to S\$1.2 million in FY2015, primarily due to the purchase of new machines, motor vehicles, equipment and new leasehold property at 6 Tuas View Circuit.

Other operating expenses

Other operating expenses decreased by approximately S\$0.4 million or 14.3%, from S\$2.8 million in FY2014 to S\$2.4 million in FY2015, primarily due to one-off expenses incurred in FY2014 in relation to the Company's initial public offering.

Finance costs

Finance costs decreased by approximately S\$65,000 or 25.0%, from S\$260,000 in FY2014 to S\$195,000 in FY2015, primarily due to a decrease in the utilisation of term loans, bank overdrafts, letters of credit and trust receipts in FY2015 as compared to FY2014.

Income tax expenses

Income tax expense decreased by approximately S\$3.8 million or 146.2%, from S\$2.6 million tax expense in FY2014 to S\$1.2 million tax credit in FY2015. The decrease in income tax expense was in line with the loss incurred for the year and the recognition of deferred tax asset arising from unutilised tax losses, capital allowances and tax benefits under the Productivity and Innovation Credit scheme.

Net loss for the year

As a result of the foregoing, the Group recorded a net loss of approximately S\$1.7 million in FY2015.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

2. STATEMENT OF FINANCIAL POSITION

The consolidated balance sheets of the Group as at 31 December 2013, 31 December 2014 and 31 December 2015 are set out below:

	As at 31 Dec 2013 Audited S\$'000	As at 31 Dec 2014 Audited S\$'000	As at 31 Dec 2015 Audited S\$'000
ASSETS			
Current assets			
Cash on hand and bank	478	5,688	8,376
Fixed deposits	—	12,008	—
Trade and other receivables	10,478	13,398	5,998
Contract work-in-progress	10,595	15,982	7,409
Inventories	3,139	2,445	4,245
Total current assets	<u>24,690</u>	<u>49,521</u>	<u>26,028</u>
Non-current assets			
Fixed deposits pledged	5,514	3,517	4,236
Prepayments	1,155	1,111	1,067
Investment in subsidiaries	—	—	—
Property, plant and equipment	8,853	9,055	32,851
Deferred tax assets	—	—	67
Total non-current assets	<u>15,522</u>	<u>13,683</u>	<u>38,221</u>
Total assets	<u>40,212</u>	<u>63,204</u>	<u>64,249</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trust receipts, bank overdrafts and current portion of bank loans	3,208	107	644
Trade and other payables	3,837	5,886	2,450
Current portion of finance leases	86	86	86
Contract work-in-progress	282	—	—
Income tax payable	1,540	2,693	7
Total current liabilities	<u>8,953</u>	<u>8,772</u>	<u>3,187</u>
Non-current liabilities			
Bank loans	3,796	1,449	13,999
Finance leases	421	335	250
Deferred tax liabilities	1,161	1,176	—
Total non-current liabilities	<u>5,378</u>	<u>2,960</u>	<u>14,249</u>
Capital and reserves			
Share capital	450	40,570	40,570
Asset revaluation reserve	5,218	5,218	5,218
Currency translation reserve	— ⁽¹⁾	— ⁽¹⁾	1
Merger reserve	—	(25,438)	(25,438)
Retained earnings	20,213	31,122	26,462
Total equity	<u>25,881</u>	<u>51,472</u>	<u>46,813</u>
Total liabilities and equity	<u>40,212</u>	<u>63,204</u>	<u>64,249</u>

Note:

⁽¹⁾ This represents an amount less than S\$1,000.

Source: Annual Reports of the Group for FY2014 and FY2015

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

As at 31 December 2014 compared to 31 December 2013

Current assets

Current assets increased by approximately S\$24.8 million from S\$24.7 million as at 31 December 2013 to S\$49.5 million as at 31 December 2014. The increase in current assets was mainly due to the increase in cash on hand and at bank of approximately S\$5.2 million, fixed deposits of S\$12.0 million, contract work-in-progress of approximately S\$5.4 million and trade and other receivables of approximately S\$2.9 million which was partially offset by a decrease in inventories of approximately S\$0.7 million.

Non-current assets

Non-current assets decreased by approximately S\$1.8 million from S\$15.5 million as at 31 December 2013 to S\$13.7 million as at 31 December 2014, primarily due to the withdrawal of fixed deposits pledged with a financial institution.

Current liabilities

Current liabilities decreased by approximately S\$0.2 million from S\$9.0 million as at 31 December 2013 to S\$8.8 million as at 31 December 2014. The decrease in current liabilities was primarily due to the decrease in trust receipt, bank overdrafts and loans of approximately S\$3.1 million and contract work-in-progress of approximately S\$0.3 million which were partially offset by an increase in income tax payable of approximately S\$1.2 million and trade and other payables of approximately S\$2.0 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$2.4 million from S\$5.4 million as at 31 December 2013 to S\$3.0 million as at 31 December 2014, primarily due to the repayment of bank loans and finance leases.

As at 31 December 2015 compared to 31 December 2014

Current assets

Current assets decreased by approximately S\$23.5 million from S\$49.5 million as at 31 December 2014 to S\$26.0 million as at 31 December 2015. The decrease in current assets was mainly due to the decrease in fixed deposits of approximately S\$12.0 million, contract work-in-progress of approximately S\$8.6 million and trade and other receivables of approximately S\$7.4 million which was partially offset by an increase in inventories of approximately S\$1.8 million and cash on hand and at bank of S\$2.7 million.

Non-current assets

Non-current assets increased by approximately S\$24.6 million from S\$13.7 million as at 31 December 2014 to S\$38.3 million as at 31 December 2015, primarily due to the increase in property, plant and equipment of approximately S\$23.8 million and fixed deposits pledged with a financial institution of approximately S\$0.7 million and deferred tax assets of approximately S\$0.1 million.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

Current liabilities

Current liabilities decreased by approximately S\$5.6 million from S\$8.8 million as at 31 December 2014 to S\$3.2 million as at 31 December 2015. The decrease in current liabilities was primarily due to the decrease in income tax payable of approximately S\$2.7 million and trade and other payables of approximately S\$3.4 million and which were partially offset by an increase in the current portion of bank loans of approximately S\$0.5 million.

Non-current liabilities

Non-current liabilities increased by approximately S\$11.3 million from S\$3.0 million as at 31 December 2014 to S\$14.3 million as at 31 December 2015, primarily due to the increase of bank loans of approximately S\$12.6 million to finance the purchase of the new factory and which were partially offset with a decrease in deferred tax liabilities of approximately S\$1.2 million and repayment of finance lease of approximately S\$0.1 million.

3. WORKING CAPITAL

The working capital of the Group as at 31 December 2013, 31 December 2014 and 31 December 2015 are set out below:

	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Dec 2015
	Audited	Audited	Audited
	S\$'000	S\$'000	S\$'000
Current Assets	24,690	49,521	26,028
Current Liabilities	<u>8,953</u>	<u>8,772</u>	<u>3,187</u>
Net Current Assets	<u>15,737</u>	<u>40,749</u>	<u>22,841</u>

Source: Annual Reports of the Group for FY2014 and FY2015

A review of the working capital of the Group from FY2013 to FY2015 is set out below.

As at 31 December 2014 compared to 31 December 2013

The Group's working capital was increased by approximately S\$25.0 million to S\$40.7 million in FY2014 from S\$15.7 million in FY2013, this was mainly due to the increase in cash on hand and at bank of approximately S\$5.2 million, fixed deposits of approximately S\$12.0 million, contract work-in-progress of approximately S\$5.4 million and trade and other receivables of approximately S\$2.9 million and a decrease in current liabilities of approximately S\$0.2 million which was partially offset by a decrease in inventories of approximately S\$0.7 million.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

As at 31 December 2015 compared to 31 December 2014

The Group's working capital was decreased by approximately S\$17.9 million to S\$22.8 million in FY2015 from S\$40.7 million in FY2014, this was mainly due to the decrease in fixed deposits of approximately S\$12.0 million, contract work-in-progress of approximately S\$8.6 million and trade and other receivables of approximately S\$7.4 million, and an increase in current portion of bank loans of approximately S\$0.5 million and which was partially offset by an increase in cash on hand and at bank of approximately S\$2.7 million and inventories of approximately S\$1.8 million, and a decrease in income tax payable of approximately S\$2.7 million and trade and other payables of approximately S\$3.4 million.

4. LIQUIDITY AND CAPITAL RESOURCES

The consolidated cash flow statements of the Group for FY2013, FY2014 and FY2015 are set out below:

	FY2013	FY2014	FY2015
	Audited	Audited	Audited
	S\$'000	S\$'000	S\$'000
Net cash flows from (used in) operating activities	(6,699)	9,029	6,338
Net cash flows used in investing activities	(2,632)	(5,709)	(18,661)
Net cash flows from financing activities	2,125	8,132	10,002
Net increase (decrease) in cash and cash equivalents	(7,206)	11,452	(2,321)
Cash and cash equivalents at the beginning of the year	(6,450)	(756)	10,696
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	— ⁽¹⁾	— ⁽¹⁾	1
Cash and cash equivalents at the end of the year	(756)	10,696	8,376

Note:

(1) This represents an amount less than S\$1,000.

Source: Annual Reports of the Group for FY2014 and FY2015

A review of the cash flow position of the Group from FY2013 to FY2015 is set out below.

FY2013

Net cash used in operating activities

Net cash outflow from operating activities of approximately S\$6.7 million in FY2013, which was a result of working capital outflow of approximately S\$15.0 million, as well as interest payments of approximately S\$0.1 million and tax payments of approximately S\$1.1 million. This was partially offset by operating cash inflow before movements in working capital of approximately S\$9.5 million.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

In particular, the net working capital outflow was primarily due to (i) an increase in inventories of approximately S\$1.9 million primarily due to an increase in materials purchased for two new firearm shooting ranges and tactical training mock-up projects in Southeast Asia and the Middle East which were in the fabrication works phase; (ii) an increase in trade and other receivables of approximately S\$7.8 million which primarily consisted of (a) an increase in trade receivables from outside parties of approximately S\$6.4 million and an increase in unbilled revenue of approximately S\$0.9 million and partially offset by a decrease in retention sum receivable of approximately S\$0.6 million and a writeback of allowance of doubtful trade receivables of approximately S\$1.1 million, and (b) an increase in prepayment and other receivables of approximately S\$2.2 million; (iii) an increase in contract work-in-progress of approximately S\$8.0 million primarily due to two firearm shooting ranges and tactical training mock-up projects in Southeast Asia and the Middle East being in the fabrication works phase; and (iv) an increase in trade and other payables of approximately S\$2.6 million primarily due to an increase in materials purchased and project consultancy fees incurred for two new firearm shooting ranges and tactical training mock-up projects in Southeast Asia and the Middle East.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$2.6 million in FY2013, which was primarily due to purchase of property, plant and equipment of approximately S\$0.5 million and fixed deposits pledged with a financial institution of approximately S\$2.1 million.

Net cash from financing activities

Net cash from financing activities amounted to approximately S\$2.1 million in FY2013, which was primarily due to: (i) new trust receipts of approximately S\$1.3 million for working capital purposes; (ii) a new term loan of S\$3.0 million from a financial institution; and (iii) this was partially offset by (a) the repayment of obligations under finance leases of approximately S\$0.1 million; (b) the repayment of bank borrowings of approximately S\$0.5 million; and (c) the payment of dividends of approximately S\$1.6 million to the then shareholders of Starburst Engineering Pte Ltd.

FY2014

Net cash from operating activities

Net cash from operating activities was approximately S\$9.0 million in FY2014, which was a result of operating cash flows before movements in working capital of approximately S\$16.5 million, pared by an increase in working capital of approximately S\$5.8 million and interest payments of approximately S\$0.3 million and income tax payments of approximately S\$1.4 million. The increase in working capital was primarily due to the increase in contract work-in-progress of approximately S\$5.6 million and trade and other receivables of approximately S\$2.9 million and partially offset by a decrease in trade and other payables of approximately S\$2.0 million and inventories of approximately S\$0.7 million.

APPENDIX 2 — REVIEW OF PAST PERFORMANCE

Net cash used in investing activities

Net cash used in investing activities was approximately S\$5.7 million in FY2014, which was primarily due to the increase in new fixed deposits of S\$7.0 million and purchase of property, plant and equipment of approximately S\$0.8 million and partially offset by the withdrawal of fixed deposits pledged with a financial institution of approximately S\$2.0 million and proceeds from disposal of property, plant and equipment of approximately S\$0.1 million.

Net cash from financing activities

Net cash from financing activities was approximately S\$8.1 million in FY2014, which was primarily due to net proceeds from issuance of new ordinary shares of approximately S\$14.7 million and partially offset by repayment of bank loans of approximately S\$3.0 million, repayment of trust receipts of approximately S\$1.3 million and payments of dividend of approximately S\$2.3 million.

FY2015

Net cash from operating activities

Net cash from operating activities was approximately S\$6.3 million in FY2015, which was a result of working capital inflow of approximately S\$10.7 million, offset by operating cash outflow before movements in working capital of approximately S\$1.5 million, income tax payments of approximately S\$2.8 million and interest paid of approximately S\$0.1 million. The decrease in working capital was primarily due to the decrease in trade and other receivables of approximately S\$7.3 million and decrease in contract work-in-progress of approximately S\$8.6 million, partially offset by an increase in inventories of approximately S\$1.8 million and decrease in trade and other payables of approximately S\$3.4 million.

Net cash used in investing activities

Net cash used in investing activities was approximately S\$18.7 million in FY2015, which was primarily due to the purchase of property, plant and equipment of approximately S\$25.0 million and partially offset by the withdrawal of fixed deposits of approximately S\$6.3 million.

Net cash from financing activities

Net cash from financing activities was approximately S\$10.0 million in FY2015, which was primarily due to drawdown of a new mortgage loan of approximately S\$15.0 million and partially offset by dividend payments of approximately S\$3.0 million, repayment of bank loans of approximately S\$1.9 million and repayment of finance lease of approximately S\$0.1 million.

5. ADEQUACY OF WORKING CAPITAL

As at the Latest Practicable Date, the Directors are of the opinion that, after taking into consideration the internal sources of funds available to the Group, the net proceeds from the Rights Issue (based on the Minimum Subscription Scenario), the cash generated from the Group's business operations and the Group's present banking facilities, the working capital available to the Group is sufficient to meet the Group's present requirements.

NOTICE OF EXTRAORDINARY GENERAL MEETING

STARBURST HOLDINGS LIMITED

(Company Registration Number: 201329079E)

(Incorporated in the Republic of Singapore on 28 October 2013)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Starburst Holdings Limited (the “**Company**”) will be held at Bras Basah Room, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on 22 April 2016 at 11.30 a.m., or immediately after the conclusion of the annual general meeting of the Company and the other extraordinary general meeting of the Company to be held at 10.00 a.m. and 11.00 a.m. respectively on the same day and at the same place, for the purposes of considering and, if thought fit, passing with or without modifications the following ordinary resolution:

ORDINARY RESOLUTION — THE PROPOSED RIGHTS ISSUE

That the renounceable non-underwritten rights issue of up to 62,500,000 new warrants (the “**Warrants**”) at an issue price of S\$0.01 for each Warrant, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (each, a “**New Share**”), on the basis of one (1) Warrant for every four (4) existing ordinary shares in the capital of the Company (each, a “**Share**”) held by shareholders of the Company (the “**Shareholders**”) as at a time and date as the board of directors of the Company (the “**Directors**”) may, in its absolute discretion, determine (the “**Books Closure Date**”), fractional entitlements to be disregarded, be and is hereby approved and authority be and is hereby given to the Directors to:

- (A) create and issue up to 62,500,000 Warrants in registered form, each Warrant to entitle the holder thereof to subscribe for one (1) New Share at an exercise price of S\$0.25 for each New Share at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the register of members of the Company is closed or is not a day on which the Singapore Exchange Securities Trading Limited is open for trading in securities (a “**Market Day**”), in which event, the last day of the exercise period shall be the immediately preceding Market Day on which the register of members of the Company remains open, but excluding such period(s) during which the register of warrant holders of the Company may be closed, subject to the terms and conditions of the Warrants as set out in the deed poll (the “**Deed Poll**”) to be executed by the Company for the purpose of constituting the Warrants, on such terms and conditions as the Directors may think fit;
- (B) provisionally allot and issue up to 62,500,000 Warrants at an issue price of S\$0.01 for each Warrant on the basis of one (1) Warrant for every four (4) existing Shares held by Shareholders as at the Books Closure Date;
- (C) create and issue such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants as set out in the Deed Poll (any such further Warrants to rank equally and without preference with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Warrants as set out in the Deed Poll);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (D) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company, up to 62,500,000 New Shares upon the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, such New Shares (when issued and paid) to rank equally and without preference in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Warrants as set out in the Deed Poll) save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the relevant date of exercise of the Warrants; and
- (E) on the same basis as paragraph (D) above, allot and issue such further New Shares as may be required to be allotted and issued on the exercise of any of the Warrants issued in accordance with paragraph (C) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

- (a) the provisional allotments of Warrants under the Rights Issue shall be made on a renounceable non-underwritten basis to Shareholders whose names appear in the register of members of the Company or the records of The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”);
- (b) no provisional allotment of the Warrants shall be made in favour of Shareholders who are not Entitled Shareholders (the “**Foreign Shareholders**”);
- (c) the provisional allotments of Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotments relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date, provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company; and
- (d) the provisional allotments of Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Rights Issue and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BY ORDER OF THE BOARD

Wu Guangyi
Leong Chee Meng, Kenneth
Company Secretaries

Singapore
7 April 2016

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
2. A member of the Company who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two (2) proxies in relation to the EGM to exercise all or any of his rights to attend and to speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such an event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
3. The instrument appointing a proxy, duly executed, must be deposited at the registered office of the Company at 6 Tuas West Street, Singapore 637442 not less than 48 hours before the time appointed for the holding the EGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

STARBURST HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 October 2013)
(Company Registration Number: 201329079E)

IMPORTANT:

A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see note 4 for the definition of “relevant intermediary”).

For investors who have used their CPF monies to buy the Company’s shares, this Circular is forwarded to them at the request of their CPF approved nominees and is sent solely FOR INFORMATION ONLY.

This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We* _____ (Name)

_____ (NRIC/Passport No.)

of _____ (Address)
being a member/members* of **STARBURST HOLDINGS LIMITED** (the “Company”) hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her, the chairman of the extraordinary general meeting (the “EGM”) of the Company, as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the EGM of the Company, to be held at Bras Basah Room, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Friday, 22 April 2016 at 11.30 a.m., or immediately after the conclusion of the annual general meeting of the Company and the other extraordinary general meeting of the Company (in relation to the proposed share purchase mandate) to be held at 10.00 a.m. and 11.00 a.m. respectively on the same day and at the same place, and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the EGM and at any adjournment thereof.

(Please indicate your vote “For” or “Against” with a tick [✓] within the box provided.)

No.	Ordinary Resolution	For	Against
1.	The Proposed Rights Issue		

Dated this _____ day of _____ 2016.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of member(s) or Common Seal

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) (“SFA”), you should insert that number of shares. If you have shares registered in your name in the register of members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and Shares registered in your name in the register of members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the register of members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Such proxy need not be a member of the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore (the “CPFA”), in respect of shares purchased under the subsidiary legislation made under the CPFA providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Tuas West Street, Singapore 637442, not less than 48 hours before the time appointed for the EGM.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PROXY FORM

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.